

## HOUSE BILL No. 2408

By Committee on Appropriations

2-20

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AN ACT concerning school district budgeting; enacting the school budgeting best practices reform act; amending K.S.A. 12-1663, 72-8223 and 79-2927 and repealing the existing sections.

*Be it enacted by the Legislature of the State of Kansas:*

New Section 1. Sections 1 through 5, and amendments thereto, shall be known and may be cited as the school budgeting best practices reform act.

New Sec. 2. (a) When preparing the budget for the ensuing budget year of the school district, the board shall budget to expend only the amount estimated to be spent from each fund of the school district.

(b) Whenever it is otherwise authorized by law that unexpended moneys in a fund of a school district may be carried forward into such fund for the next budget year, the budget of the school district shall reflect any ending balance in such fund which the school district estimates will be carried forward to the next budget year.

(c) Nothing in this section shall be construed as prohibiting school districts from spending amounts in excess of the amount estimated for expenditure.

New Sec. 3. (a) For the 2003-04 school year, and any succeeding school year, the state department of education shall prepare and prescribe standards and formats for an at-a-glance budget for all school districts. The state department of education's standards and formats shall be developed directly from the best practices and standards established by the government finance officers association, the association of school business officials and other best practices and standards for an at-a-glance budget.

(b) For the 2003-04 school year, and any succeeding school year, all school districts shall prepare and publish the at-a-glance budget based on the state department of education standards and formats. Such at-a-glance budget shall include internet website addresses for the building-by-building reports and results compiled by the department of education.

(c) On or before August 1 of each year, the board shall prepare a proposed full school budget document and the at-a-glance budget. Prior to adopting such proposed budget, the board shall meet for the purpose of answering and hearing testimony of taxpayers relating to the proposed

1 budget. The board shall give at least 14 days notice of the time and place  
2 of the meeting by publication in a newspaper of general circulation within  
3 the district. Such notice shall include where the public can obtain the at-  
4 a-glance and full proposed budget documents. If necessary, boards shall  
5 have the ability to estimate revenues and expenditures for the purpose of  
6 preparing this proposed budget for the public hearing.

7 New Sec. 4. (a) The state department of education shall update the  
8 department's budgeting format document to conform with the best prac-  
9 tices and standards of the government finance officers association and the  
10 association of school business officials.

11 (b) The state department of education shall develop a plan to provide  
12 incentives for school districts to adopt budgets in accordance with the  
13 government finance officers association and the association of school busi-  
14 ness officials budget award standards. The state department of education  
15 shall request funding for such incentive plan for inclusion in the depart-  
16 ment's budget request to the division of the budget for the fiscal year  
17 2005 budget.

18 (c) There is hereby established in the state treasury the best budget  
19 practices incentive fund. Any moneys in such fund shall be used to fund  
20 the incentive plan established by this section.

21 (d) The state board of education shall develop and adopt rules and  
22 regulations for such incentive plan.

23 New Sec. 5. For the 2005-06 school year, and any succeeding school  
24 year, all school districts shall apply for either a government finance offi-  
25 cers association or an association of school business officials budget award  
26 for such school district's budget. The results of such district's application  
27 shall be disclosed to the public at a regular school board meeting. For  
28 the 2007-08 school year, all school districts shall obtain either a govern-  
29 ment finance officers association or an association of school business of-  
30 ficials budget award for such school district's budget.

31 Sec. 6. K.S.A. 12-1663 is hereby amended to read as follows: 12-  
32 1663. (a) Where any public agency receives federal aid through any fed-  
33 eral agency for any purpose to be used alone or with funds of the public  
34 agency, such federal aid may be expended without regard to budget lim-  
35 itations and over, above or outside the budget, and such expenditures  
36 shall not be charged against the budget of the current or any other budget  
37 year of the public agency; ~~and~~ Where a public agency spends from budg-  
38 eted funds and later is reimbursed by federal aid, such expenditure from  
39 budgeted funds shall be a reimbursed expense and if received after the  
40 budget year, shall increase the current budget to the same amount unless  
41 the budget had anticipated and included the reimbursement as income.

42 (b) *In addition to the requirements of subsection (a), a school district*  
43 *shall include the revenues and expenditures from federal aid and other*

1 *grants, gifts and miscellaneous income in all budget documents prepared*  
2 *by the school district, including documents submitted to the department*  
3 *of education. In order to account for such revenues and expenditures*  
4 *separately, each school district shall budget for federal aid and other*  
5 *grants and gifts, other than scholarships, received, which funds shall not*  
6 *be subject to limitations on the expenditure of moneys in such funds.*

7 Sec. 7. K.S.A. 72-8223 is hereby amended to read as follows: 72-  
8 8223. (a) The secretary of social and rehabilitation services shall pay tui-  
9 tion to the board of education of any school district for children in any  
10 institution under the jurisdiction of the secretary who attend any of the  
11 schools of such school district. The amount of tuition shall be determined  
12 on the basis of the average operating cost per pupil of the school district,  
13 less the proportionate amount of state aid received by such school district  
14 as determined by the state board of education. *Whenever feasible, the*  
15 *board of education of such school district shall work with the department*  
16 *of social and rehabilitation services to maximize federal matching funds.*

17 (b) Payments of tuition received under this section by the board of  
18 education of any school district for attendance of children at school in  
19 regular educational programs shall be deposited in the ~~general fund of~~  
20 ~~the school district and considered as reimbursements of the district for~~  
21 ~~the purpose of the school district finance and quality performance act.~~  
22 *tuition reimbursement fund.*

23 (c) *There is hereby established in every district a fund which shall be*  
24 *called the tuition reimbursement fund, which fund shall consist of all*  
25 *moneys deposited therein or transferred thereto according to law. The*  
26 *expenses of a district attributable to the costs of providing educational*  
27 *services to a child in an institution under the jurisdiction of the secretary*  
28 *who attends the school shall be paid from the tuition reimbursement fund.*

29 Sec. 8. K.S.A. 79-2927 is hereby amended to read as follows: 79-  
30 2927. The governing body of each taxing subdivision or municipality shall  
31 meet not later than the first day of August of each year, and shall prepare  
32 in writing on forms furnished by the director of accounts and reports a  
33 budget itemized and classified by funds and showing amounts to be raised  
34 by taxation and from other sources for the ensuing budget year. The  
35 budget shall show in parallel columns all amounts and items to be ex-  
36 pended for the ensuing budget year and the amounts appropriated for  
37 corresponding or other items during the current budget year and amounts  
38 expended for corresponding or other items during the preceding budget  
39 year. The budget for each fund shall not include any item for sundry or  
40 miscellaneous purposes in excess of 10% of the total. Except for school  
41 districts, municipal universities and community colleges, the budget for  
42 each fund may include a ~~non-appropriated~~ *nonappropriated* balance of  
43 not to exceed 5% of the total of each fund.

1 The budget shall show in parallel columns the amount of revenue ac-  
2 tually received from taxation and from other sources, with the amount  
3 from each source separately stated for the preceding budget year and the  
4 amount actually received and estimated to be received from taxation and  
5 from sources other than direct taxation with the amount for each source  
6 separately stated for the current budget year and also the amount esti-  
7 mated to be received during the ensuing budget year, with the amount  
8 estimated to be received from each source separately stated. *Subject to*  
9 *the provisions of section 2, and amendments thereto*, the budget of ex-  
10 penditures for each fund shall balance with the budget of revenues for  
11 such fund and that portion of the budget of revenues to be derived from  
12 ad valorem property taxation shall not exceed the amount of tax which  
13 can be raised by any fund limit or aggregate limit placed upon such fund.

14 Sec. 9. K.S.A. 12-1663, 72-8223 and 79-2927 are hereby repealed.

15 Sec. 10. This act shall take effect and be in force from and after its  
16 publication in the statute book.

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